OCD-ARTESIA EC

C1SF P

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMLC068545

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

7. If Unit or CA Agreement, Name and No.
NMNM~~84639~~ 71016X

1b. Type of Well: ☒ Oil Well 1801 ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
POKER LAKE UNIT 182 1796

2. Name of Operator
BASS ENTERPRISES PRODUCTION CO
Contact: TAMI WILBER
E-Mail: tlwilber@basspet.com

9. API Well No.
30-015-32128

3a. Address
P.O. BOX 2760
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 915.683.2277 Fx: 915.687.0329

10. Field and Pool, or Exploratory
UNKNOWN

4. Location of Well (Report location clearly and in accordance with any State requirements.*)

At surface NWSE 2030FNL 1980FWL

At proposed prod. zone NWSE 2030FNL 1980FWL

Ut. F

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 7 T24S R30E Mer NMP

14. Distance in miles and direction from nearest town or post office*
14 MILES EAST FROM MALAGA, NEW MEXICO

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1980

16. No. of Acres in Lease
1843.32

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1321

19. Proposed Depth
7430 MD

20. BLM/BIA Bond No. on file
NM2204

21. Elevations (Show whether DF, KB, RT, GL, etc.
3182 ~~3195~~ GL

22. Approximate date work will start
11/15/2001

23. Estimated duration
14 DAYS

24. Attachments

Carlsbad Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)
TAMI WILBER

Date
08/22/2001

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)
/S/ RICHARD A. WHITLEY

Name (Printed/Typed)
/S/ RICHARD A. WHITLEY

Date
DEC 07 2001

Title
ASSOC. STATE DIRECTOR

Office
NM STATE OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Electronic Submission #6592 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 08/22/2001 (01AL0025AE)

RECEIVED
OCD - ARTESIA

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

Additional Operator Remarks:

Surface casing to be set +- 100' above the salt.
Producing casing cement will be brought up at least 500' above the upmost hydrocarbon bearing zone.
Drilling Procedure, BOPE Diagram, Anticipated Formation Tops and Surface Use Plans attached.

This well is located inside the R-111 Potash Area and inside the Secretary's Potash Order, but in the barren area for potash.
There are no potash leases within 1 mile of this location.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	Nash Draw (Delaware)

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	182

OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3182'

Surface Location

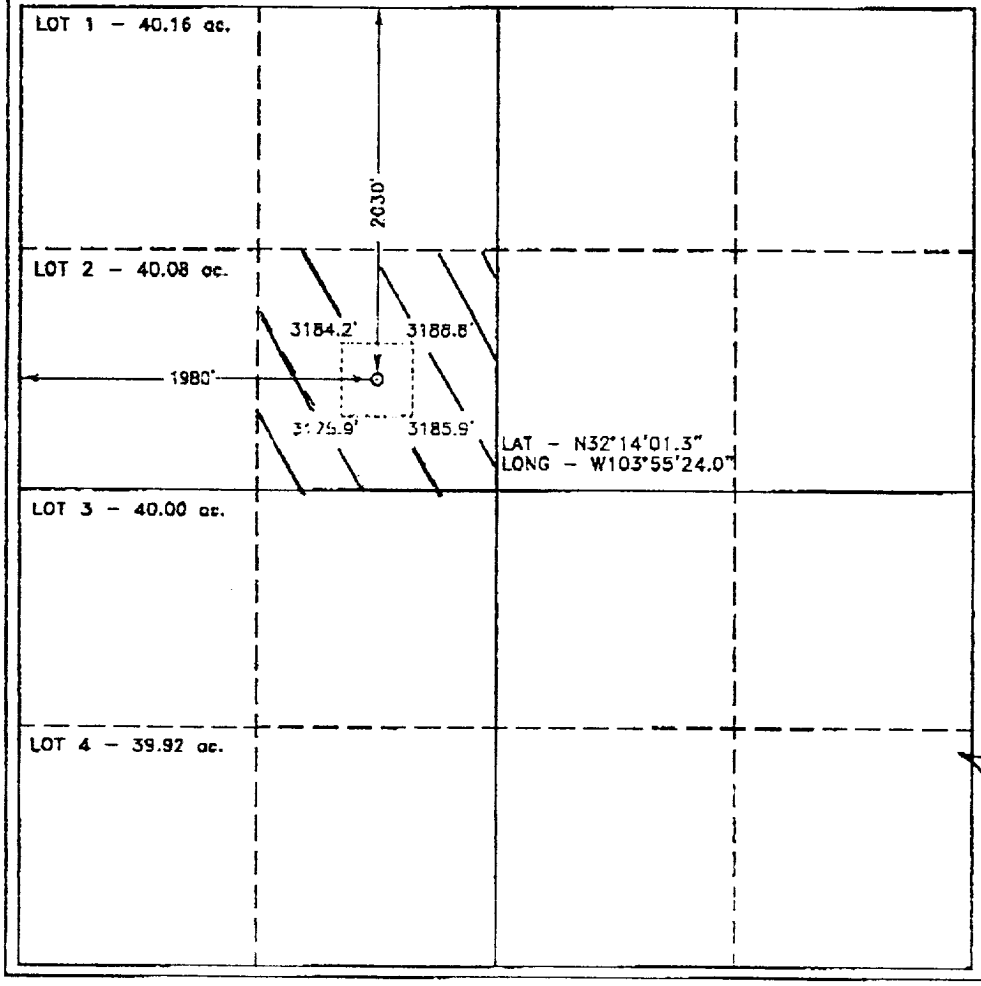
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	7	24 S	30 E		2030	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

William R. Dannels
Printed Name

Division Drilling Supt.
Title

21 August 2001
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

May 8, 2001
Date Surveyed

Signature & Seal of Professional Surveyor

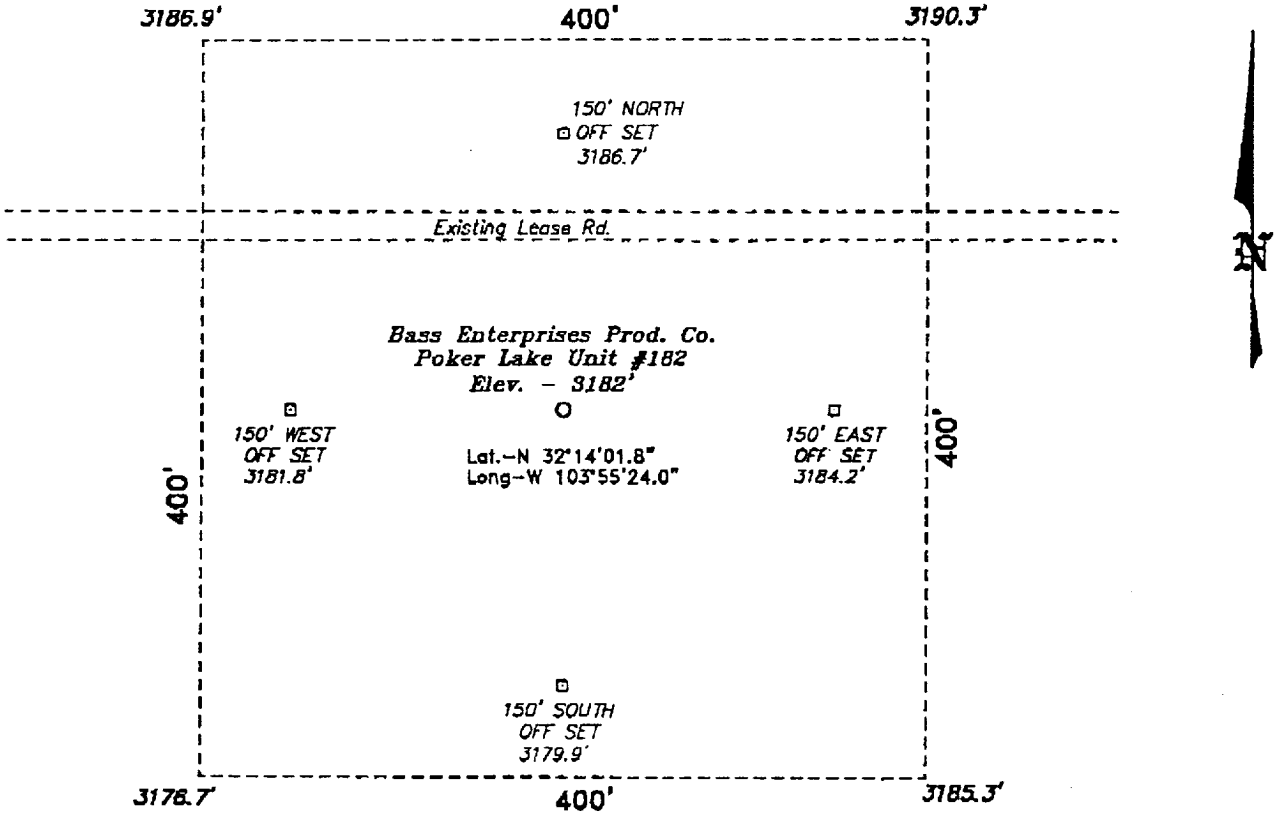
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 14494

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 793, GO SOUTH AND WEST ON CO. RD. 793 APPROX. 4.0 MILES TO A LEASE ROAD; THENCE SOUTH ON LEASE ROAD APPROX. 4.5 MILES TO A LEASE ROAD; THENCE WEST ON LEASE ROAD APPROX. 0.75 MILE TO A POINT 50 FEET NORTH OF THE PROPOSED WELL PAD.

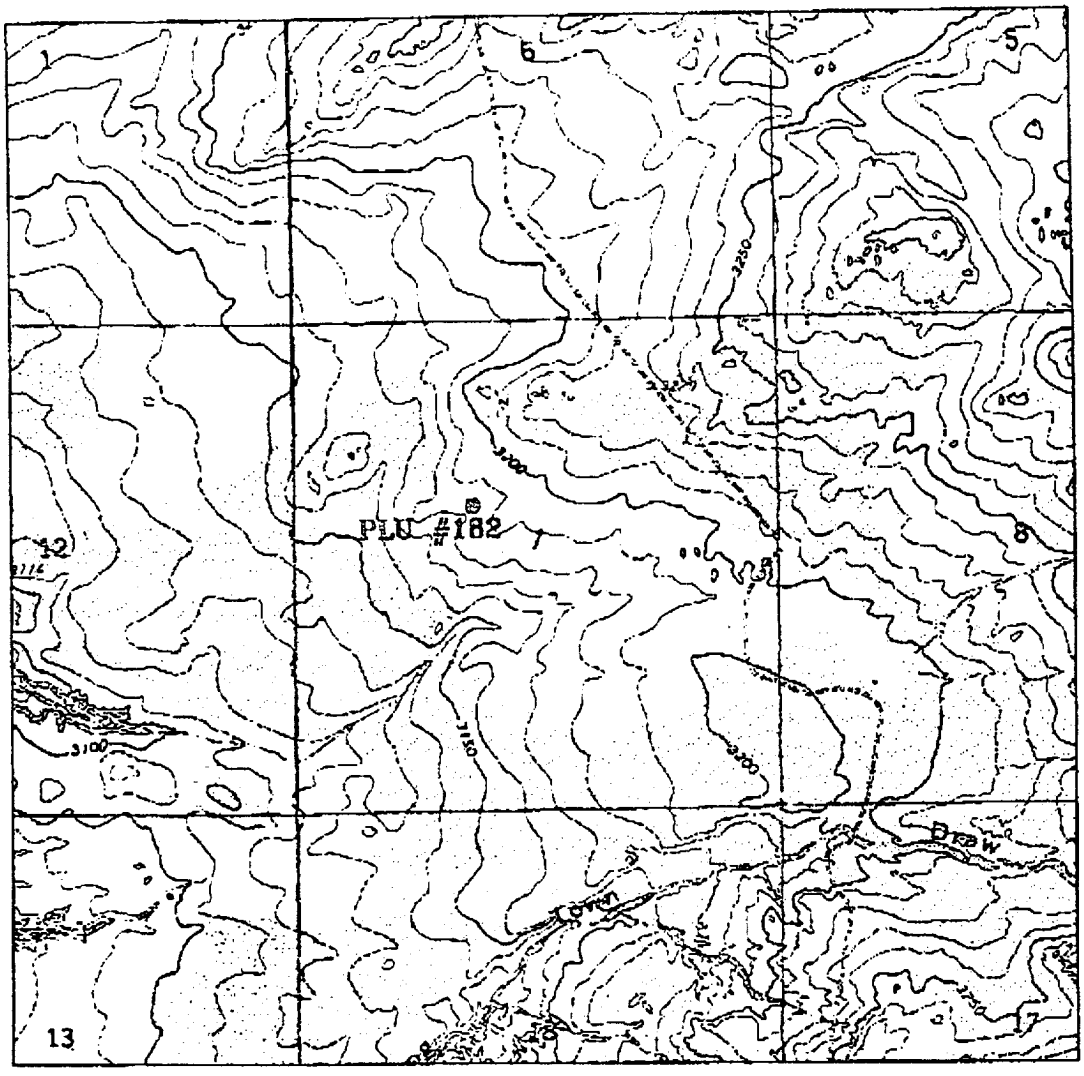
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 182 / Well Pad Topo

THE POKER LAKE UNIT No. 182 LOCATED 2030' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 1307	Drawn By: K. GOAD		
Date: 04-16-2001	Disk: KJG CD#3 - 1307A.DWG	Survey Date: 04-10-2001	Sheet 1 of 1 Sheets

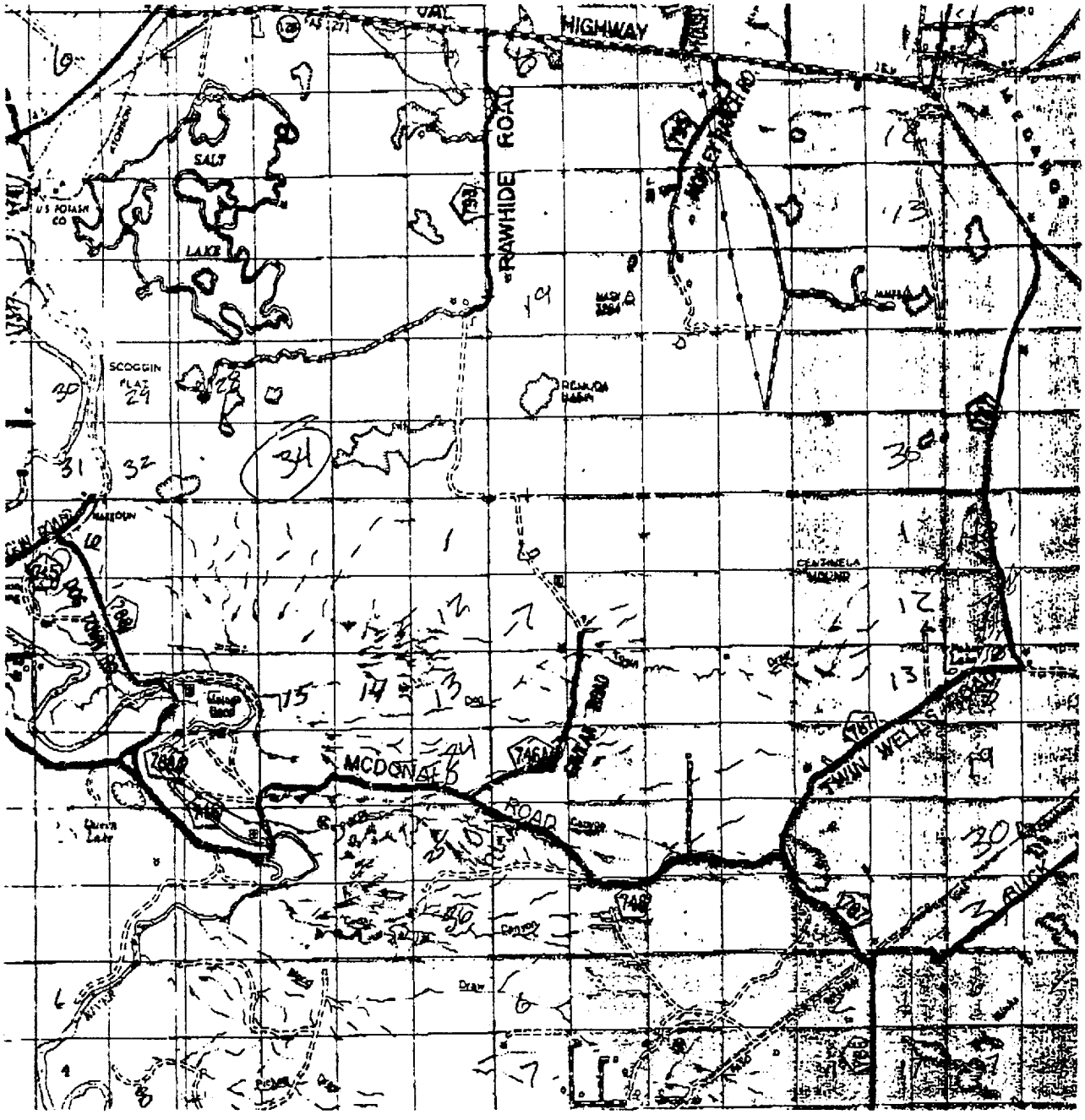


POKER LAKE UNIT #182
Located at 2030' FNL and 1980' FWL
Section 7, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

Basin Surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 1449AA - KJG CD#3
Survey Date: 05-08-2001
Scale: 1" = 2000'
Date: 05-10-2001

BASS ENTERPRISES PRODUCTION CO.



POKER LAKE UNIT #182
Located at 2030' FNL and 1980' FWL
Section 7, Township 24 South, Range 30 East,
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BASIN SURVEYS
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P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 1449AA - KJG CD#3
Survey Date: 05-05-2001
Scale: 1" = 2 MILES
Date: 05-10-2001

BASS ENTERPRISES PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #182

LEGAL DESCRIPTION - SURFACE: 2030' FNL & 1980' FWL, Section 7, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3195' (est) GL 3182'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Salt	555'	+2640'	Barren
B/Salt	3240'	- 45'	Barren
T/Lamar	3441'	- 246'	Barren
T/Ramsey Sand	3481'	- 286'	Oil/Gas
T/Lwr Brushy Canyon U Sand	6947'	-3752'	Oil/Gas
T/Lwr Brushy Canyon Y Sand	7113'	-3918'	Oil/Gas
T/Bone Spring Lime	7177'	-3982'	Barren
TD	7430'	-4235'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
16"	0'- 40'	Conductor	New
8-5/8", 24#, WC-50, ST&C	0'- 500'	Surface	New
5-1/2", 15.5#, K-55, LT&C	0' -6500'	Production	New
5-1/2", 17#, K-55, LT&C	6500' -7500'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

Bass Enterprises recognizes that the minimum BOP equipment is a double 3000 WP BOP equivalent to Diagram 1 of this package. However, the actual BOP's used will likely exceed the minimum requirements depending on the rig the operator employs. Bass Enterprises requests a waiver to the testing requirements per Onshore Order 2. This well is located in an area Bass is familiar with and we have chosen to set only a surface casing string of 500' and drill into the low permeability rock of the Bone Spring. 70% of the internal yield of 8-5/8", 24#, WC50 ST&C is 1,750 psi. The Delaware in this area is normally pressured (8.4 ppg MWE) and is not capable of flowing with a full column of fresh water. If for some reason the well does flow, we can not and will not shut the well in due to the low frac gradient at the shoe. The surface casing will only be used as a diverter. Therefore, a BOP test to indicate the BOP's are operating correctly and seal at lower pressures is all that is necessary. We intent to hydrotest the BOP stack, the choke and kill lines, Kelly cock, inside BOP, etc. to 200 psi (low) and 1,000 (high) with clear water using the rig pump. These tests will be performed:

a) Upon installation
b) After any component changes
c) Fifteen days after a previous test
d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 500'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
500' - 5600'	Brine Water	9.8 -10.0	29-30	NC	NC	NC	10
5600' – 7430'	**	8.9 - 9.3	36-40	15	10	<100 cc	9.5 - 10

** 35% diesel/65% brine emulsion

**Will increase vis for logging purposes only.*

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL-LDT-AIT from TD to 8-5/8" casing shoe.
GR-CNL from base of 8-5/8" casing to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE:						
Lead 0 - 230' (100% excess circ to surface)	65	200	Permian Basin Critical Zone + ¼ pps Flocele	10.33	12.8	1.89
Tail 230-530' (100% excess circ to surface)	120	300	Prem Plus + 2% $CaCl_2$	6.33	14.8	1.35
PRODUCTION: Single stage w/ Zone Seal Cement. 2981 – 7430' (+ 50% excess)						
Base Slurry	605	4449	Premium Plus + 1% Zone Seal	6.73	14.5	1.38
Consisting of		983	Base Slurry + 300 SCF/Nitrogen	6.32	5.5	2.64
		1500	Base Slurry + 400 SCF/Nitrogen	6.32	8.9	2.01
		1966	Base Slurry + 225 SCF/Nitrogen	6.32	12.0	1.62

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3135 psi (max) or MWE of 8.4 ppg is expected. Lost circulation may exist in the Delaware Section from 5600-7430'. No H_2S is anticipated.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

14 days drilling operations

10 days completion operations

SLA
August 20, 2001

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #182

LEGAL DESCRIPTION - SURFACE: 2030' FNL & 1980' FWL, Section 7, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A and Surveyor's Plat.

B) Existing Roads:

From junction of State Highway 128 and County Road 793, go south and west on County Road 4.0 miles to lease road. Turn south on lease road 4.5 miles. Turn west on lease road 0.75 miles with road going though location approximately 100 feet north of stake.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See surveyor's plat. No additional road proposed.

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "A" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES Page 2

A) Existing facilities within one mile owned or controlled by lessee/operator:

None..

B) New Facilities in the Event of Production:

New facilities are proposed for the location PLU #181. A new flow line will be laid to those facilities.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (see Point 10)

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

A) Location and Type of Water Supply

Fresh water will be hauled from Diamond and Half Water Station 35 miles east of Carlsbad, New Mexico and other commercial facilities. Brine water will be hauled from Bass' Poker Lake Unit #153 or #140 batteries or commercial facilities.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

If not found on location, caliche will be hauled from the nearest BLM approved source.

B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See Exhibit "A".

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced only in the event livestock is present and bird netted. The fence will be maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

POINT 9: WELL SITE LAYOUT – Cont'd...

B) Locations of Pits and Access Road

See Exhibits "A" and "C".

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after construction only if livestock present and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

The reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

The reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There is a water well located off the main caliche road (north/south road) on the east side approximately 1 mile south east of this proposed location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and new access road is on federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced only if livestock is present and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE Page 6

(Field personnel responsible for compliance with development plan for surface use).

DRILLING
William R. Dannels
Box 2760
Midland, Texas 79702
(915) 683-2277

PRODUCTION
Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 683-2277

POINT 13: CERTIFICATION

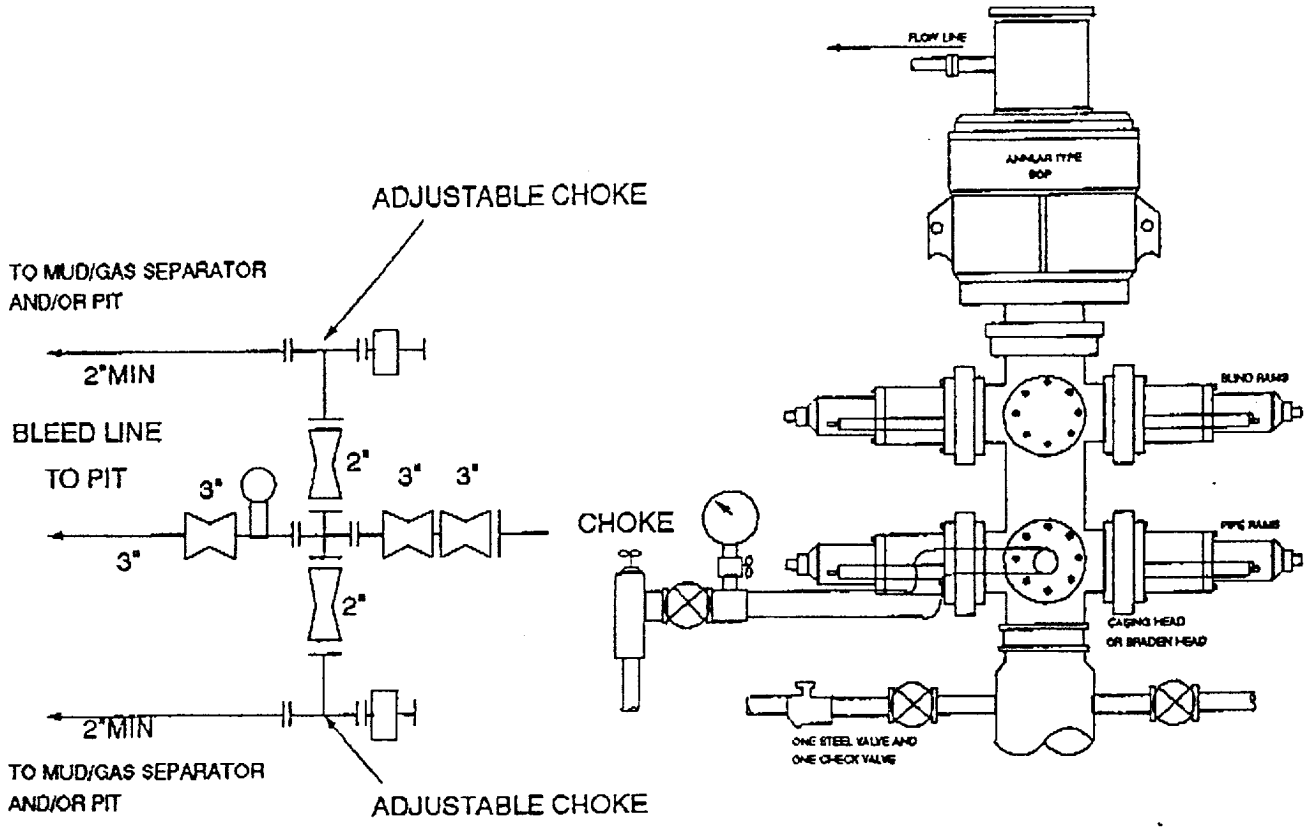
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

20 AUGUST 2001
Date

William R. Dannels

SLA

3000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.

B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.

C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.

D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.

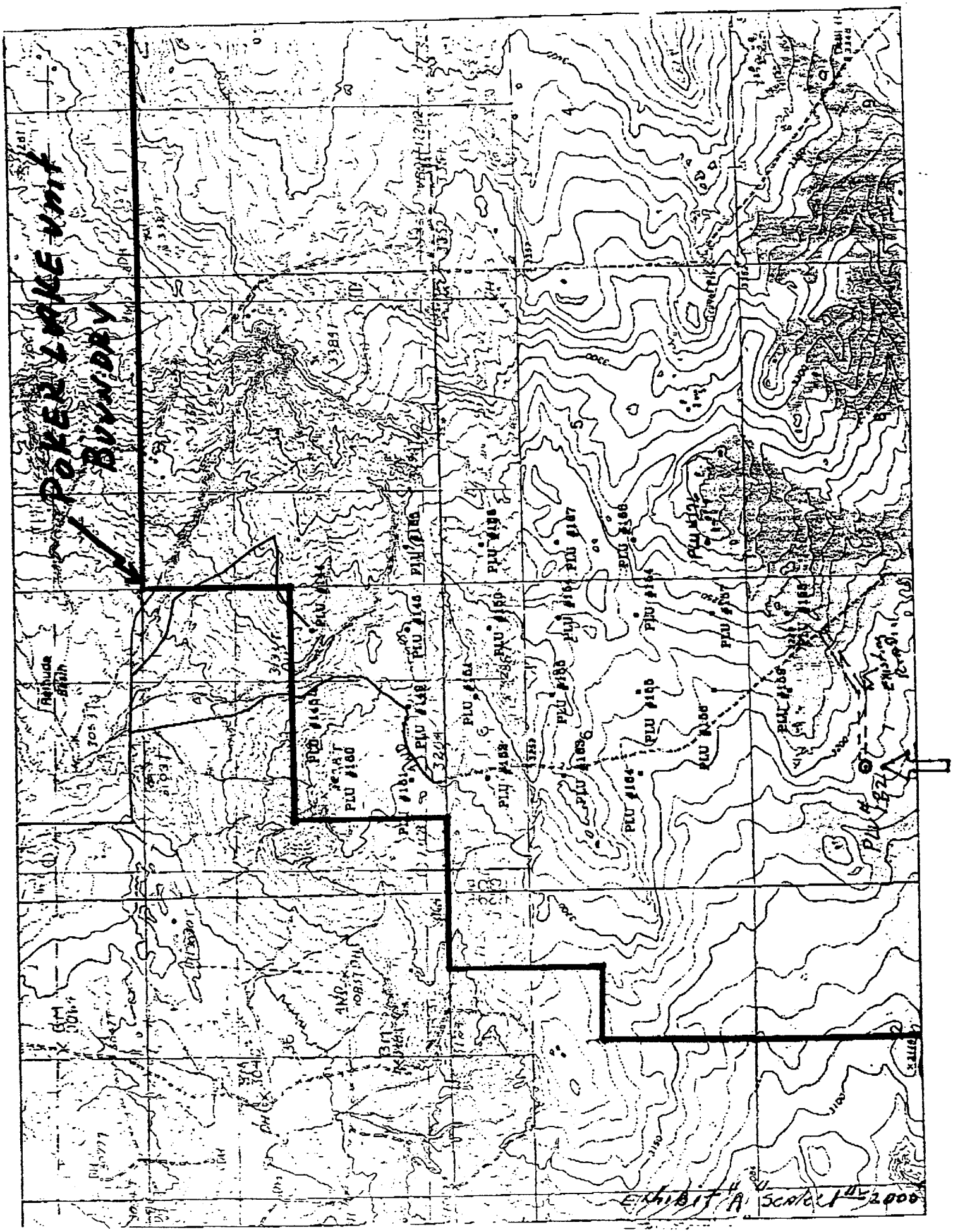
E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.

F. Manual controls to be installed before drilling cement plug.

G. Valve to control flow through drill pipe to be located on rig floor.

H. All chokes will be adjustable. Choke spool may be used between rams.

DIAGRAM 1


POKER LAKE Unit
BOUNDRY
PLU #182
Exhibit A
Scale 1" = 2000'

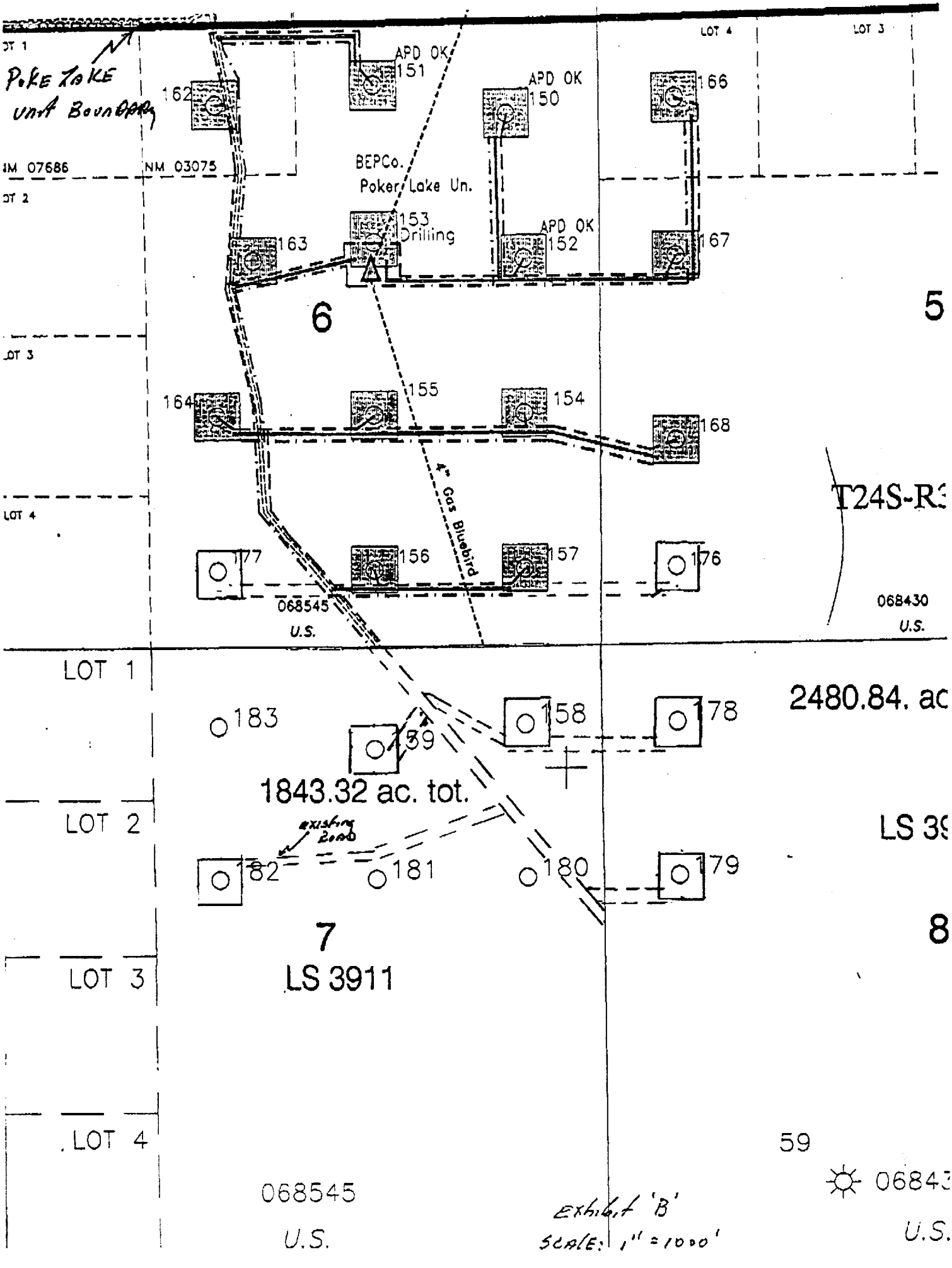
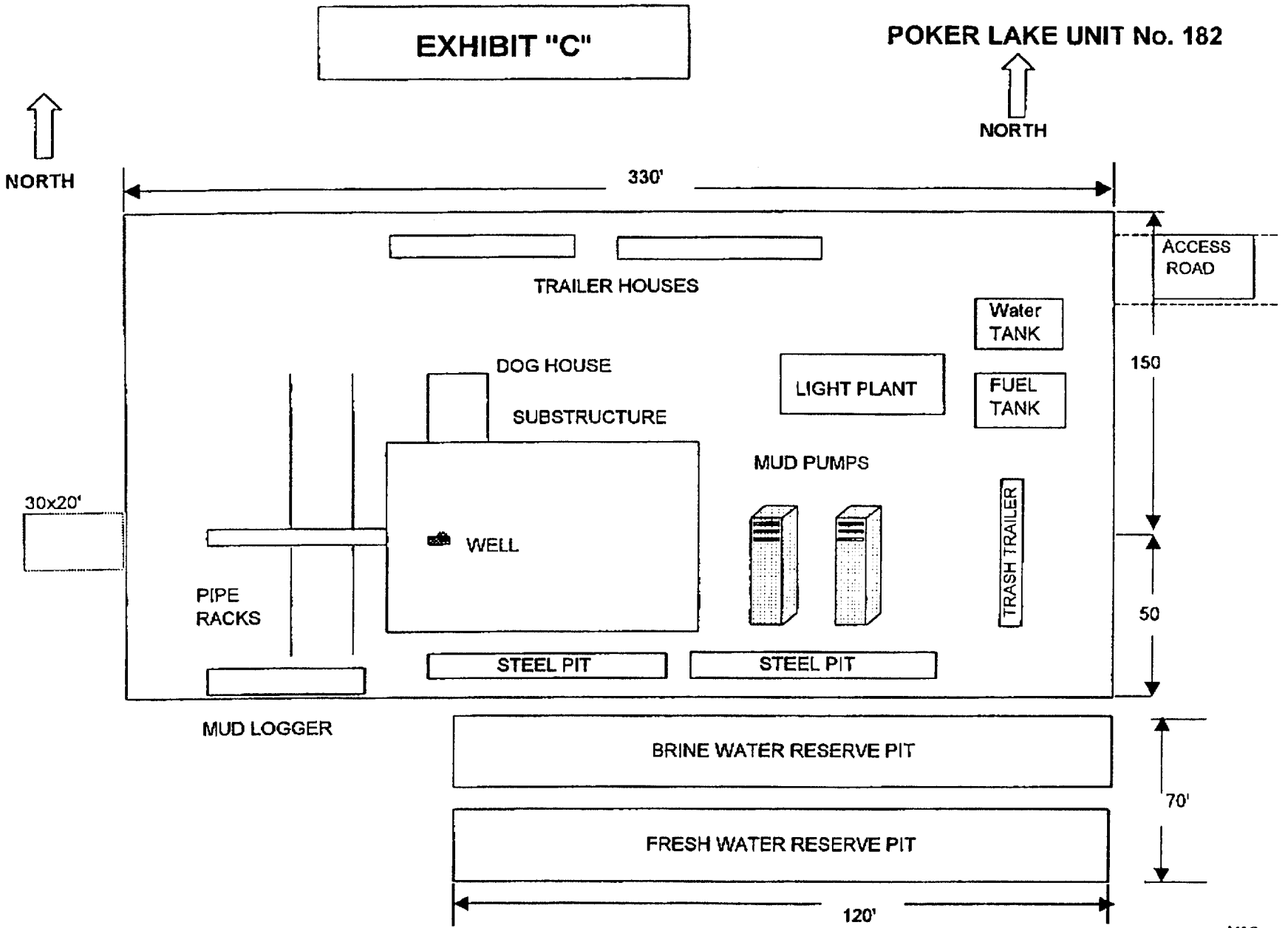

Poke Yoke
Unit Boundary
LOT 4
LOT 3
APD OK
151
APD OK
150
166
162
NM 07686
NM 03075
BEPCo.
Poker Lake Un.
153
Drilling
APD OK
152
167
163
6
5
LOT 3
164
155
154
168
4" Gas Bluebird
T24S-R3
LOT 4
177
156
157
176
068545
U.S.
068430
U.S.
LOT 1
2480.84. ac
183
158
178
159
1843.32 ac. tot.
LOT 2
existing road
LS 39
182
181
180
179
7
8
LS 3911
LOT 3
LOT 4
59
068545
U.S.
Exhibit 'B'
SCALE: 1" = 1000'
06843
U.S.

EXHIBIT "C"

POKER LAKE UNIT No. 182



MAC
7/17/01